

NORTON PUBLIC SCHOOLS
Norton, Massachusetts

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NORTON SCHOOL COMMITTEE
JOINT MEETING WITH SELECT BOARD AND FINANCE COMMITTEE
MINUTES OF MEETING

Date of School Committee Meeting: Thursday, January 25, 2024

Location: Norton Middle School Library

Present:

Select Board Members: Chairperson Mr. Kevin Snyder, Vice Chairperson Mr. Steven Hornsby, Ms. Denise Luciano and Mr. Alec Rich, III. ***Not present:*** Ms. Megan Artz ***Also present:*** Town Manager, Mr. Michael D. Yunits and Town Accountant Mr. James Puello

Finance Committee Members: Chairperson Ms. Paula Daniels, Vice Chairperson Mr. Frank Joe Parker, III, Mr. Kevin Bugaj, Ms. Bonnie Yezukevich, Ms. Sandra Ollerhead, Ms. Tracy Mahan, Mr. Cody Thompson, Mr. Zack Tsilis, and Mr. Paul J. Schleicher. Mr. Stephen Evans, ***Not present:*** Mr. William Rotondi

School Committee Members: Chairperson Mrs. Sheri Cohen, Vice Chairperson Mr. Deniz Savas, Mr. Nick Schleicher, Mrs. Justine Callanan, and Mr. Dan Sheedy ***Also present:*** Superintendent of Schools Dr. Jennifer O'Neill and School Business Administrator Mrs. Kristine Hadfield

Call to Order: Chairperson Snyder, Chairperson Daniels, and Chairperson Cohen called their respective meetings to order at 7:00 p.m.

Discussion on FY2025 Budget:

Mr. Yunits opened with an overview of the Town's budget process. Town department budgets are due February 7th, and the School Department's budget is due March 18th. He highlighted some past expense reduction actions and other issues impacting the budget including:

- The Hill Street Landfill solar generates \$80,000 in rent and \$300,000 in credits on electric bills yearly.
- The addition of health insurance deductibles saved approximately \$1 million in that year.
- The purchase of the town's streetlights and conversion to LEDs has reduced the streetlight account from \$100,000 to \$60,000.
- Regionalization of dispatch has saved a significant amount of money between the operational costs and upgrades to equipment.
- All departments are going out to bid for natural gas and electricity as the current contracts expire in November and December.
- The SEMRECC (regional dispatch) assessment increased by \$150,000.
- Insurance has increased approximately \$57,000 this year due to the construction projects.
- The Council on Aging will have a possible staff increase costing \$50,000 to \$70,000.
- The town voted to establish a Public Works Department which will cost \$250,000 to \$280,000 to implement.
- The Town has only seen health insurance costs rise by about 1% each year and has also had health insurance holidays with an approximate savings of \$1.4 million.

- License and permit revenue is down about \$642,000 from last year as there are no big projects that have come online.
- The Town is awaiting guidance from the state regarding the Supreme Court ruling on tax foreclosures. This determination will affect how funds from the sale of properties are handled.
- The Governor has stated that they expect revenues this year to be \$1 billion less than they planned, and the Town has received some cuts to earmarks of 50%.

Mr. Yunits identified the following mandatory budget increases:

- Bristol County Pension is up \$229,038.
- An estimate of a 2% increase to health insurance would equate to \$160,000.
- The SEMRECC assessment is up \$150,000.
- Property insurance increases,
- With the SAFER Grant ending, the Town will have to absorb \$179,000 in the budget for the Fire Department.

Mr. Yunits noted that the projected deficit with a 3% increase for the Town is \$348,876; 4% would be short \$850,721; and with a 5% increase the Town would be short \$1,312,564. He added that this does not include Fixed & Shared costs or taking into consideration the fact that last year they used \$750,000 from Stabilization and \$1.9 million from Free Cash.

Mr. Yunits provided the fund balances itemized below:

- Free Cash \$1,789,803
- Stabilization \$3,170,114
- Capital Improvement \$512,527 less payments of \$302,102
- Ambulance Reserve \$4,061,372
- OPEB \$1,195,737
- Water Retained Earnings \$3,130,047
- Sewer Retained Earnings \$2,863,315
- Dog Fund \$70,085

Mr. Yunits confirmed for the Finance Committee the Ambulance Reserve Fund balance could be used to replace the funds that will no longer be coming from the SAFER Grant. He also confirmed for the Select Board that once all Town departments have submitted their budgets, they will prepare budget documents showing FY24 funding, level services funding for FY25, and any budget requests above level services.

Dr. O'Neill began the presentation of the proposed FY25 School Department budget, reviewing some quick facts about the District:

- NPS is the Town's largest employer with 415 employees across 5 schools, 258 of which are full-time educators.
- In FY23, the per pupil expenditure was \$17,697 which includes \$3,000 in fixed costs.
- In FY22 the School Department received \$13,029,200 from the State.
- The proposal being presented represents a level-services budget, meaning that the School Department would maintain the exact same level of teaching and learning for the students.
- To fund a level services budget would require a 12.01% increase.

- Dr. O'Neill confirmed for the Finance Committee that the provided budget proposal did not include any new positions.
- The mandated education costs for next year, including special education staff and out of district placements and transportation, represents approximately a 15.61% increase.
- The Operations Service Division (OSD) number for this year is a 4.69% increase from last year.

Dr. O'Neill broke down the budget increase of \$4,166,988 for FY25.

- Increase in salaries due to contractual obligations of \$2,610,499.
- Increase in out of district special education costs of \$772,313.
- Increase of \$348,400 for out of district special education transportation.
- Mandated increases to special education programming of \$73,100.
- Increase in contracted transportation of in district students of \$46,577.
- Increase in the costs of transportation for homeless students of \$50,000.
- Increase in operations and management costs of \$78,568.
- Budgeted contingency for unanticipated special education costs of \$187,601.

Dr. O'Neill provided information regarding the General Education components of the budget. The proposal includes using \$1,932,114 in School choice funds to offset the budget. Anticipated FY24 School Choice revenue is \$1.6 million, and the balance will be from reserved funds rolled over from last year. She followed with an outline of the special education portion of the budget which includes using \$1.6 million of Circuit Breaker funds. These are partial reimbursements from the State for students that are in out of district placements.

Dr. O'Neill stated that the average budget increase since FY15 has been 3.78%. She presented the following deficits based on possible budget scenarios:

- With a 3% increase over FY24, the deficit for level services would be \$3,125,794.
- A 4% increase would leave a deficit of \$2,778,729.
- A 5% increase would leave a deficit of \$2,431,666.

The administrative team has been looking at any possible solutions to reduce costs or streamline efficiencies such as through scheduling. Dr. O'Neill reminded the Committees that the level services budget does not consider any requests for additional requests for positions.

The Finance Committee recommended that the School Department show the budget cuts associated with the scenarios. Dr. O'Neill stated that the School Department is looking at potential cuts of 15-20 positions, program cuts and reductions, and possible fee increases.

The Committees engaged in conversations regarding contractual salary increases for both the Town and School Department and that impact alone on the overall budget. Dr. O'Neill clarified for the Finance Committee how salary increases are projected and calculated for the School Department, including steps and lanes on the salary scale as well as the contractual increase.

Dr. O'Neill informed the Committees that a survey had been distributed to families and staff to evaluate priorities and that the budget information is also being shared with families. The Committees engaged in discussion regarding School Choice families and the potential impact of budget decisions on whether families will continue to choose Norton for their children's education.

Dr. O'Neill elaborated on enrollment trends and highlighted new construction on Mansfield Avenue and Pine Street as potentially impacting enrollment in the future. She provided additional information on special education programming which was further clarified by Mr. Vincent Cerce, Director of Pupil Personnel, who also discussed the increasing level of need being seen in the student population. Ms. Cassandra Russo, Coordinator of Special Education, confirmed the number of out of district students (32) for the Finance Committee. This is a slight decrease from previous years. She pointed out that five years ago there were 60 students placed out of district, noting the significant decrease. The District is embarking on a study to explore school start times and enrollment with the goal of presenting a recommendation to the School Committee in September 2024 for FY26.

Dr. O'Neill clarified for the Finance Committee that the School Department has received figures from the State. With a 0.5% increase, Norton anticipates receiving \$30 per student in State aid, which is the minimum aid from the State. This number can fluctuate, and last summer the aid went up to \$60 per student. Dr. O'Neill reviewed the entitlement grants Norton receives as well as some of the competitive grants that have been awarded.

The Finance Committee questioned what the School Department is proposing to do from here. A lengthy discussion ensued regarding the need to plan for and prioritize cuts as well as the possibility of an override. Additional discussion revolved around the cost versus reimbursement rate for School Choice students as well as the formula for calculating state aid.

A resident from 325 Godfrey Drive asked about commercial tax rates and whether communities with commercial tax rates find themselves in better financial situations. Mr. Yunits explained that the town does have a split-tax rate where the commercial side pays more than the residential side, but it doesn't bring in more revenue and rather shifts the burden slightly to the commercial side. The Finance Committee questioned whether an override, if passed, could be levied to put more of the burden on the commercial side versus the residential side for the following year. The Town Manager and Select Board confirmed this is possible.

Mr. Puello clarified the balance in Free Cash as well as the amount already committed for expenses.

Discussion returned to School Choice regarding enrollment numbers, the cost to educate, and fixed costs, and the reimbursement rate. Dr. O'Neill provided an estimate of the number of students leaving Norton through the School Choice program. The School Department will be looking at what number of School Choice seats could be offered by grade level without impacting class size, etc.

A resident of 60 N. Washington Street addressed the Committees, posing the question of what the leadership in the room suggests to address the budget situation. The Committees discussed Town Meeting and the typical low voter turnout in town for meetings and elections. It was emphasized by the Select Board that it would take the full backing of all Committee members to support an override and questioned whether that is attainable.

The Finance Committee asked whether there were preliminary estimates for the Police Department or the Fire Department budgets to get an idea of what type of increase they are projecting. Those numbers are not yet available but could be around 8%. The Committees discussed being able to see the cuts that have been made since 2016 or 2017 for both the Town

and School Department to be able to analyze where the budgets would be if the previous override attempts had passed. This exercise would also need to consider positions that have been added over the years.

The Committees discussed an override and how to best lay out the information for residents. Mr. Puello confirmed that in the next fiscal year the impact of the construction projects starts to peak in the tax bills. The current bill does include interest on the bonds that the Town just issued in October for the new town hall, senior center, and athletic complex. He advised that it will start going down a little bit over time after next year. The School Committee looked for confirmation that the debt-exclusion for the renovations for the High School should be coming off the books soon, and Mr. Puello explained that there were three separate bond issuances that were done in 2011 and 2013, so some of them are going to come off in 2031 and some in 2033. Mr. Puello stated that the 2.5% limit they are bound to is a struggle because inflation has been a real issue the past few years.

Mr. Yunits stated that the next step is for all the budgets to be submitted. These are due for Town departments on February 7th. The School Department's Budget Workshop is scheduled for February 6th and is open to the public. The Committees proposed having another joint meeting soon. The Finance Committee will be meeting with the School Committee again in March for their budget presentation and extended an invitation for the Select Board to join as well.

The Select Board asked the Town Manager to provide an overview of the process if they were to go for an override. Mr. Yunits explained that if they decide to go for an override, you can go about it in one of two ways. If the decision to go for an override and the amount is known 35 days prior to the town election it can go on the ballot and then go to town meeting for approval. Otherwise, both a balanced budget and one requiring an override can be presented at the town meeting. If the override budget is the option passed at town meeting, then an election would be held after town meeting for the override. If passed at the election, the town would go with the override budget. If the override fails on the ballot, the town will implement the balanced budget.

The Finance Committee stated that in 2016, the override amount attempted was \$3.7 million and it lost by about 193 votes with a turnout of 4,400 voters and the last override attempt was for \$2.2 million and lost by 764 votes with a turnout of 4,800 voters and failed.

Other Business:

None presented.

Adjourn:

MOTION: by Mr. Savas to adjourn the School Committee meeting

SECOND: by Mr. Nicholas Schleicher

VOTE: 5 - 0 Motion Carries

MOTION: by Mr. Paul Schleicher to adjourn the Finance Committee meeting

SECOND: by Mr. Evans

VOTE: 10 - 0 Motion Carries

MOTION: by Mr. Hornsby to adjourn Select Board meeting

SECOND: by Mr. Rich

VOTE: 4 - 0 Motion Carries

The meeting adjourned at 8:48 p.m.

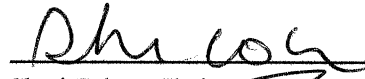
Next School Committee Meeting Date:

- Tuesday, February 6, 2024, at 6:00 p.m., in the NMS Library (Budget Workshop)
- Thursday, February 8, 2024, at 6:00 p.m., in the NMS Library

Documents and Other Exhibits Used at Meeting:

- Norton Public Schools FY25 Draft Budget Proposal

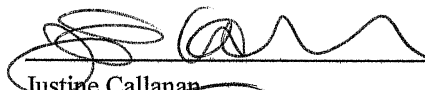
Respectfully Submitted,
Jennifer O'Neill, Ed.D.
Secretary Pro Tem



Sheri Cohen, Chairperson



Deniz Savas, Vice-Chairman



Justine Callanan



Nick Schleicher



Dan Sheedy